FAX TRANSMISSION

Office of the Legal Attache
Vul. Yuria Kotsubinskoho 10
Kiev, Ukraine 254053
Telephone #: 380-44-246-8867
Fax #: 380-44-246-8870

To: SSA [redacted]
Newark Division

Date: November 4, 1998

Fax #: 973-456-9244

Pages: 5, including this cover sheet.

Voice #: 973-961-7471

From [redacted] b6 b7C

Subject: "Red Fleet"
281H-NK-94401

[redacted]

Comments:

[redacted]

Attached is an EC dated 10/26/1998, entitled "Collective Sigh" addressing the PRIVATBANK issue.

In addition, attached is a copy of a local Ukrainian news service report on PRIVATBANK ratings.

The telephone number in your lead is, in fact, a Moldovan telephone number, which is covered by Legat Vienna.

The other names of subjects and charitable organizations are being checked through liaison.

I will also [redacted] b7E

Would it be of benefit for me to receive a state-side briefing on this investigation? Let me know, since I plan to be in New Jersey between 11/13 - 16/1998.

[redacted] b6 b7C

[redacted]

281H-NK-94401-635

the debt for gas. A statement to this effect was made by Leonid Kuchma in the course of his visit to Kyiv city dairy factory No.3 in the village of Vitnevo, Kyiv-Sviatoshin district of Kyiv region.

he President noted that it is necessary to outline a procedure to make it possible for Ukrainian farm producers to appear on the Russian markets.

Leonid Kuchma spoke out about his preparedness to initiate VAT lifting for farm producers.

On Friday, the President is on a working tour of Kyiv region. He is due to visit the Kyiv meat-packing plant in Kyiv-Sviatoshin district, the Ukrainian Financial and Economic Institute in the town of Irpin and familiarize with the operation of the *Puscha-Voditsa* agricultural combined mill.

The Kyiv meat-packing plant and the city dairy factory No.3 have no debts to the Pensions Fund, to the budget or on salary payments this year. Over the past nine months, output growth has been registered at these plants as compared with the same period last year: 106 per cent at the Kyiv meat-packing plant, and 103.3 per cent - at Kyiv dairy factory No.3.

CRIMEAN PARLIAMENT SPEAKER PREDICTS THAT RALLIES IN CRIMEA ON NOVEMBER 7 WILL BE MORE CROWDED THAN IN PAST YEARS

Simferopol, October 30 (Interfax-Ukraine) -- Rallies and demonstrations in Crimea will be more crowded on November 7 this year than in the past years, believes Chairman of the Autonomous Supreme Council, Crimean Communist leader Leonid Hrach.

Speaking in an IF-U interview, Leonid Hrach said that public opinion shows a trend towards a more positive attitude to this date. "Against the background of the present-day social oppression, people will take to the streets to demonstrate their solidarity and consolidation and declare their social demands", he added.

The Crimean Speaker noted that the Great October Socialist Revolution Day will be celebrated in Crimea as "is proper for a national holiday".

According to him, celebration meetings will be held on the eve of the day in all towns and districts, and on November 7 - demonstrations and rallies. "We urge all the bodies of representative and executive power to be together with common people on that day". Leonid Hrach emphasized.

INTERNATIONAL *THOMSON BANK WATCH* RATING AGENCY CONFIRMS *PRIVATBANK*'S RATINGS

Kyiv, October 30 (Interfax-Ukraine) -- The international *Thomson Bank Watch* rating agency has confirmed the ratings awarded to the commercial *Privatbank* in 1997, IF-U has learnt at the press-service of the bank.

Thus, *Privatbank* has short-term rating (in national currency) LC-2, domestic IC-C and long-term one B-.

The press-service of the bank noted that the indices cited in the rating of the Association of Ukrainian Banks were distorted for technical reasons.

The commercial *Privatbank* has issued a press release containing specified indicators of performance over the nine months of the current year, according to which the profit of the bank by October 1 of the current year had reached UAH 32.64 million (in AUB rating - UAH 0.31 million), net assets - UAH 1614.28 million (UAH 1614.28 million), yield of net assets - 2.02 per cent (0.02 per cent), statutory fund - UAH 112 million (UAH 112 million), statutory fund yield - 29.14 per cent (0.28 per cent).

To: Criminal Investigative From: Kiev
Re: 281H-SF-121294, 10/26/1998

LEAD (s):

Set Lead 1:

ALL RECEIVING OFFICES

Read and clear.

♦♦

LIECHTENSTEIN GLOBAL TRUST, located in Vaduz, Liechtenstein. These accounts are administered by LGT FINANCE IRELAND LTD., an investment bank of LGT BANK in Liechtenstein, which is managed by the LGT BANK in Liechtenstein in the Cayman Islands.

Source also suspects that [redacted] b6 b7C b7D

PRIVATBANK, 50 Naberezhnaya Pobedy, possessing a relatively small balance of 250 million U.S. dollars on its accounts, is involved in large money transfers, which can not be located in bank records because these monies are handled as securities accounts or transfer money (transit money), which do not appear on the bank ledgers.

In addition to a dense network of correspondence banks, the bank has holding companies in numerous financial capitals: Bratislava, Clug-Napoca, Frankfurt, Geneva, Kiev, Kishinev, London, Ljubljana, Moscow, New York, Paris, Prague, Rome, Singapore, Sofia, Stockholm, Tel Aviv, Toronto, Vienna, Warsaw, Zurich.

Legat Kiev will keep SF Division apprised of further developments.

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE Date: 10/26/1998

To: Criminal Investigative Attn: SSA [redacted] IRU 1
SSA [redacted]
R/EE/ECEU

San Francisco Attn: SSA [redacted]
SA [redacted]

From: Kiev
C[redacted]ct: Legat [redacted] 380-44-246-8866

Approved [redacted]

Drafted By: [redacted]

Case ID #: 281H-SF-121294

Title: COLLECTIVE SIGH;
OC/DI - RUSSIAN

Synopsis: Legat Kiev provides unconfirmed information provided by a [redacted] (PROTECT IDENTITY), stating that [redacted]

Details: According to source information, the PRIVATE BANK was founded on 3/19/1992, and its partners and the percentage of their holdings are as follows:

VIST COMMERCIAL AGENCY	35 percent
SENTOZA LTD.	35 percent
SOLM LTD.	29.4375 percent
STELLA PRODUCTION AND ENTERPRISE	.0975 percent
S. TIGIPKO	.4650 percent

According to source, [redacted]

The majority ownership of SENTOZA LTD. and SOLM LTD. is held by [redacted] family members, who are represented by an individual by the name of [redacted]

The bank avails itself of a far-reaching international banking correspondence network. SENTOZA LTD. and SOLM LTD. have accounts at the LGT BANK in Liechtenstein, which may actually be

299[redacted]s04.cc